

DLAM 7000.5 CONTRACT ADMINISTRATION SERVICES ACCOUNTING PROCEDURES  
PART 12 TRANSFER OF CONTRACTS  
CHAPTER 1

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## CHAPTER 1                      TRANSFER OF CONTRACTS

### 12.1.1 CHAPTER OVERVIEW

This section describes the procedures to be applied by all DCMDs after receipt of a PCO/ACO executed modification which transfers payment and administration responsibilities from that DCMD to another payment office and when the DCMD is the gaining office. Priority must be given to performance of functions described in this section to preclude possible loss of discounts at the gaining payment office. Input processing of contracts and modifications and the resultant output products are further described in other sections.

### 12.1.2 TRANSFER OUT

a. Upon receipt of the PCO/ACO modification, immediately code PIIN/SPIIN/MOD number via KSP Input to establish the document on the Contractual Document Backlog List.

b. The Data Input clerks, upon receipt of the modification will take any necessary action as stipulated in the modification to adjust the CLR. Send a TWX to the gaining payment office to preclude the gaining activity returning contractors invoices, DD Form 250, etc., which ordinarily would appear to have been misrouted. The TWX will cite the following minimum information:

(1) Contract Number.

(2) Contractor Name and Address.

(3) Number and date of modification authorizing transfer.

(4) Statement that hard copy contract, supporting documentation and Disbursing Officer certification will be mailed under separate cover by (DATE)

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c. Immediately notify the Data Input clerks or the CAO terminal to process any DD Form 250 on hand and request terminal, if applicable, to forward official DD Form 250 file to the gaining CAO terminal by transmittal letter. A copy of the transmittal letter will be provided to the Finance Office. When the office is a satellite, the satellite activity will be alerted, as outlined above and will expedite all on hand DD Form 250 to the terminal for processing.

d. Immediately process payments for all payable invoices on hand applicable to the contract being transferred. Purge the MAAPR suspense file of any unpaid or correction MAAPRs. Review the Overage Payable Transaction Report for outstanding accruals and process MAAPR deletetransactions for any MAAPRs appearing on the report. If invoices on hand cannot be placed in a payable condition from documents in-house or other approval, delete the invoices from the system and insert the invoices/credit memos, DLA Form 457e, Fiscal Information Posting Slip, ACO approval, etc., and any outstanding MAAPRs identified as unpaid in the contract folder. Establish a dummy folder with a copy of the TWX and the modification for rerouting of any invoices received after the transfer.

e. Review the contract folder to ensure that all payments, supporting documentation and subvouchers are in sequence, request a Contract Support/Obligation/Disbursement Inquiry (UYFR06) and reconcile the contract to verify validity of fund balances on the CLR. If the CLR does not agree with data contained in the contract folder, determine reason for discrepancy and adjust CLR if applicable. Any adjustments should be annotated on the Contract Support/Obligation/Disbursement Inquiry (UYFR06). When the CLR is in agreement with contract data, prepare a certification of fund balances for the Disbursing Officer's signature. At a minimum, the certification will include:

(1) Contract Number.

(2) Contractor name and address.

(3) A statement, signed by the Disbursing Officer, certifying that the fund balances cited on the attached CLR reflect the true condition of the contracts as of (DATE) \_\_\_\_\_. Attach a clear copy of that portion of the CLR which contains the related contract number and the Contract Support/Obligation/Disbursement Inquiry (UYFR06) to the certification. If CLR adjustments were made during reconciliation, assure that these adjustments are reflected on the portion of the CLR attached to the certification. Retain a copy of the signed certification and the CLR portion in the dummy folder for one year.

(4) Assure that all modifications are in sequence, up to and including the modification authorizing transfer.

(5) Prepare an NLA transaction with an H in the last position. This transaction will establish a de-obligation to the CLR and adjust the ULO to a zero balance; the contract will then move to section 5 in accordance with process described in part 9, Contract Completion Status Reporting. A PK9 will not be generated.

(6) If the official DD Form 250 file is in the district, include the file with the contract package to be mailed to the gaining payment office. A dummy DD Form 250 file should be maintained by the Finance Office or CAO terminal to expedite rerouting of any DD Forms 250 received after transfer has been completed.

(7) Prepare and batch DLA Form 592, Contract Administration Data, with a MC transaction, coding three Xs in the first three positions of the contractor's name field. Complete this field with as much of the contractor's name as the field permits.

(8) Include in the package a contract abstract.

(9) Assure that any unpaid invoices, MAAPRs, the signed certification with attached portion of CLR, Contract Support/Obligation/Disbursement Inquiry and the Contract Abstract is included in the contract folder.

f. The contract package should be expeditiously mailed to the gaining payment office after all actions above have been completed.

### 12.1.3 TRANSFER IN

a. Upon receipt of a modification or TWX notice that contract will be transferred to the DCMD for payment. Establish a dummy file for reference to prevent any invoices, DD Form 250, etc., from being returned to the contractor as misrouted. Under no circumstances will the gaining DCMD make any payments to a contractor prior to receipt of Certification of Funds.

b. Upon receipt of the transferred contract, assure that the contract contains all the necessary documentation. If the prior paying office certification is not received, enter the contract, via CDP input into the Master Inventory only. This is accomplished by coding an R5 Card CAD ONLY TRF- IN WAITING CERT. On record G, lines 8 and 9, prepare and batch a DLA Form 457e with the contractors check mailing address. A message will be immediately dispatched to the losing payment office requesting fund certification via preprinted DD Form 173, citing requested action needed to establish data records. Follow-ups will be made by telephone within five days to the Accounting and Finance Office of the losing activity or to the Finance Center, if other than a DCMD. Non-response will require attention of the Director of Finance.

c. Upon receipt of the documentation:

- (1) Code with Kind Code 2.
- (2) Enter correct part number.
- (3) Correct the contract type and Change PSC Code, if necessary.
- (4) Remove the R5 Remark.
- (5) Establish CLR and LISSR records.

d. If the contract file indicates that partial shipments were previously received, the LISSR will be established for the unshipped quantities.

e. If the contract has been partially paid, the following data records will be input:

- (1) Contract record with a remark indicating transfer-in and date.
- (2) CLR record with an obligation for all appropriations, including those that have been completely disbursed. This will ensure the CAR reflects proper obligation amount and the CCLR is not understated.
- (3) LISSR record for all CLINS, including those that have been completely shipped. Process an internal adjustment immediately to adjust the quantities shipped and accepted. Process any DD Form 250 that may have been received noted as unprocessed. Upon receipt of the Missing Partial Shipment report, request OTIS to purge the missing shipment numbers to avoid needless review.
- (4) After all records have been validated, forward the contract folder, including any unpaid invoices contained in the contract folder, to the invoice input clerk.

(5) The invoice input clerk will input unpaid invoices to the Invoice Master file and initiate adjustments to the CLR to reflect the corrected unliquidated amount.

(6) If the contract reflects progress payments, DLA Form 1634, Progress Payment Authorization, must be prepared to establish the Progress Payment Master record with the current progress payment status.